



bHANSALI ENGINEERING POLYMERS LIMITED

An ISO 9001:2015 Company

Policy on Material Subsidiaries



Policy on Material Subsidiaries

1. Preface

The Board of Directors of Bhansali Engineering Polymers Limited ("Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

2. Objective of the Policy

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries. The Policy is framed in accordance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR") (including any amendments thereof).

3. Definitions

- a. **"Act"** means the Companies Act 2013 as may be amended from time to time.
- b. **"Audit Committee"** or **"Committee"** means a Committee of Directors of the Company, as constituted from time to time under Section 177 of the Act and SEBI LODR.
- c. **"Board of Directors"** or **"Board"** means the Board of Directors of the Company, as constituted from time to time.
- d. **"Independent Director"** means a Director of the Company, not being a Whole-time Director and who is not a Promoter or member of Promoter Group of the Company or its Holding, Subsidiary or Associate Company and who satisfies other criteria for independence prescribed under the Act and SEBI LODR.
- e. **"Material Subsidiary"** shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- f. **"Significant Transaction or Arrangement"** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (10%) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the Unlisted Subsidiary Company for the immediately preceding Accounting Year.
- g. **"Subsidiary Company"** means the Subsidiary Company as defined under the Companies Act, 2013 and the Rules made thereunder.

4. Compliance to be done by the Company

The Company is required to comply with following:

- a. The Company shall appoint at least one Independent Director of the Company on the Board of its Unlisted Material Subsidiary, whether incorporated in India or not.

Explanation: For the aforesaid purpose, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent (20%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- b. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by its Unlisted Subsidiary Company/ies.
- c. The Minutes of the Board Meeting/s of the Unlisted Subsidiary Company/ies shall be placed before the Board of the Company.
- d. The Management of the unlisted Subsidiary Company/ies shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Company.



- e. The Company, without the prior approval of the Members by a Special Resolution, shall not:
 - i. dispose of its shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%); or ceases the exercise of control over the Subsidiary/ies except in cases where disinvestment is made under a scheme of arrangement duly approved by a Court / Tribunal; or
 - ii. sell, dispose or lease the assets amounting to more than twenty percent (20%) of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court or Tribunal.

5. Communication of this Policy

This Policy shall be posted on the web-site of the Company and a web link thereto shall be provided in the Annual Report of the Company.

6. Policy Review

This Policy shall be subject to review as may be deemed necessary and in accordance with the regulatory requirements, as may be prescribed from time to time.

